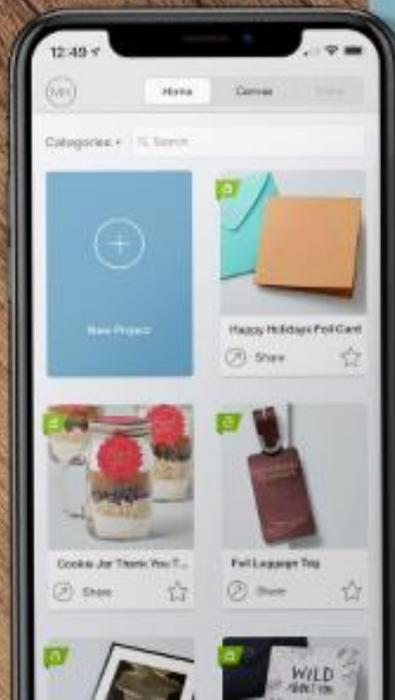


NASDAQ : CRCT

# Financial Results

Q1 2021  
May 13, 2021

**cricut.**



# Safe Harbor Statement

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” or similar terminology, and include our business opportunity, strategies, future financial results and long-term target model. These statements are based on and reflect our current expectations, estimates, assumptions and/or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. Forward-looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks, uncertainties and assumptions that could cause our actual results to differ materially from those indicated by those statements. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance of Cricut Inc., will prove to be correct or that any of our expectations, estimates or projections will be achieved.

Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements including, but not limited to, risks and uncertainties associated with: our ability to attract and engage with our users; competitive risks; supply chain, manufacturing, distribution and fulfillment risks; international risks, including regulation and tariffs that have materially increased our costs and the potential for further trade barriers or disruptions; sales and marketing risks, including our dependence on sales to brick-and-mortar and online retail partners and our need to continue to grow online sales; risks relating to the complexity of our business, which includes connected machines, custom tools, hundreds of materials, design apps, e-commerce software, subscriptions, content, international production, direct sales, and retail distribution; risks related to product quality, safety and warranty claims and returns; risks related to the fluctuation of our quarterly results of operations and other operating metrics; risks related to intellectual property, cybersecurity and potential data breaches; risks related to our dependence on our Chief Executive Officer; risks related to our status as a “controlled company”; and the impact of economic and geopolitical events, natural disasters and actual or threatened public health emergencies, such as the ongoing Coronavirus pandemic.

In addition, certain risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any such forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. The forward-looking statements included in these materials are only made as of the date indicated on the relevant materials and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law.

A top-down view of approximately 15 colorful markers arranged in a circle on a bright yellow background. The markers are in various colors including purple, teal, light blue, orange, green, dark blue, pink, and light green. Some markers have white caps with a grey triangle pointing towards the center.

NASDAQ: CRCT

**Welcome!**

## Q1 2021 Highlights

Net Revenue

**\$324M**

**125%**

YoY Increase

Net Income

**\$49M**

**279%**

YoY Increase

**\$0.24** EPS

EBITDA<sup>1</sup>

**\$69M**

**232%**

YoY Increase

**IPO March 2021**

**\$243M** Raised as of March 31

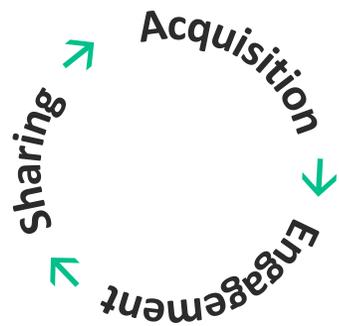
1. Net income adjusted to exclude: interest expense, net; income taxes; and depreciation and amortization expense. See reconciliation in the Appendix. Q1 2021 EBITDA includes \$3.5 million of recurring stock-based compensation expense and \$8.2 million of one-time expenses related to the corporate reorganization associated with the IPO.



# Strong user acquisition + healthy engagement



Acquisition drives engagement.



Engagement %

**62%**

Up from 60% Q1 2020



Total Users

**4.9M+**

**76%**

YoY Growth



Ending Paid Subscribers

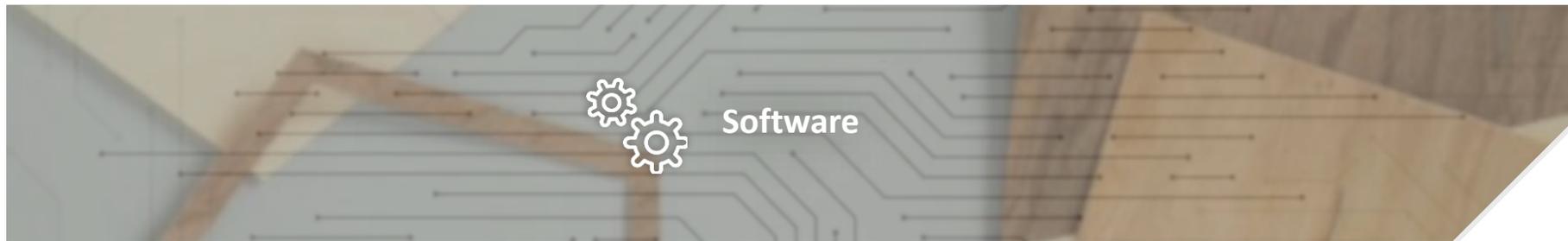
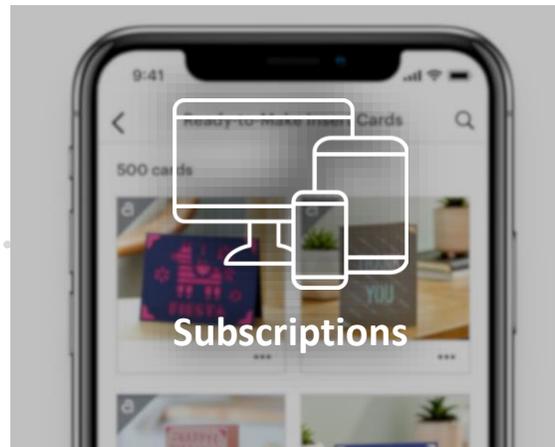
**1.6M**

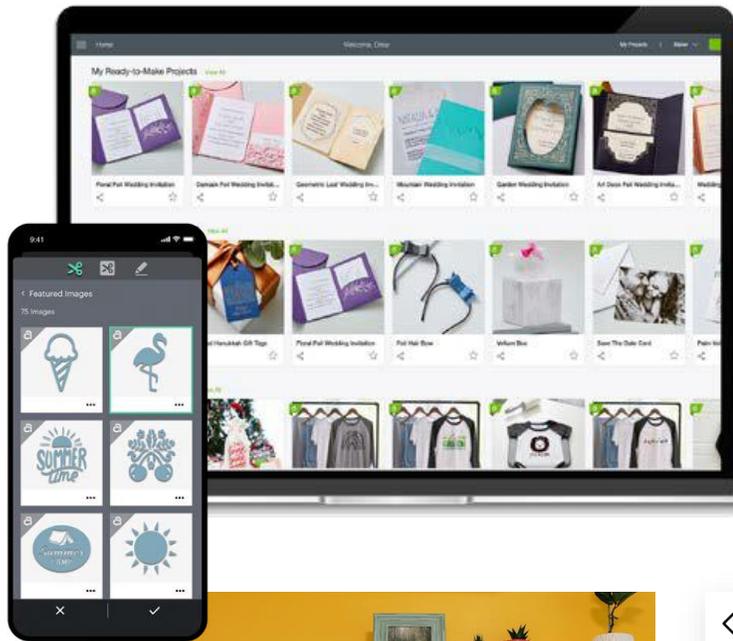
**118%**

YoY Growth

**Did you know?** 42% of new customers come from word-of-mouth.

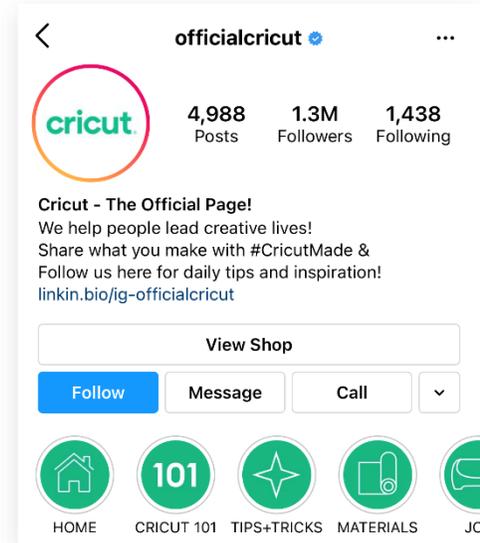
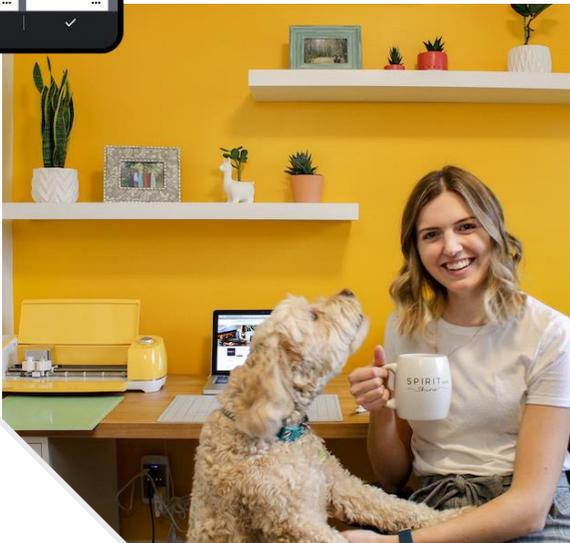
# The Cricut Platform





# Long-term trends

- 1 Personalization
- 2 Digitization of tools
- 3 Technology enabling a new generation of entrepreneurs
- 4 Proliferation of social media

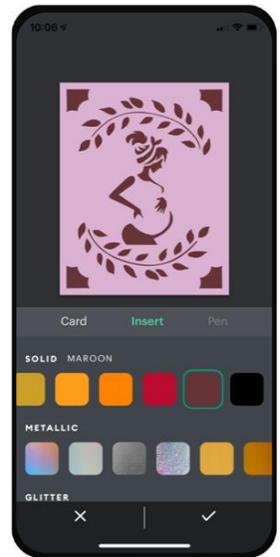




# Our user journey typically starts with a Connected Machine



Let's get started.





# Subscriptions give users access to premium content and more

a

## Cricut Access

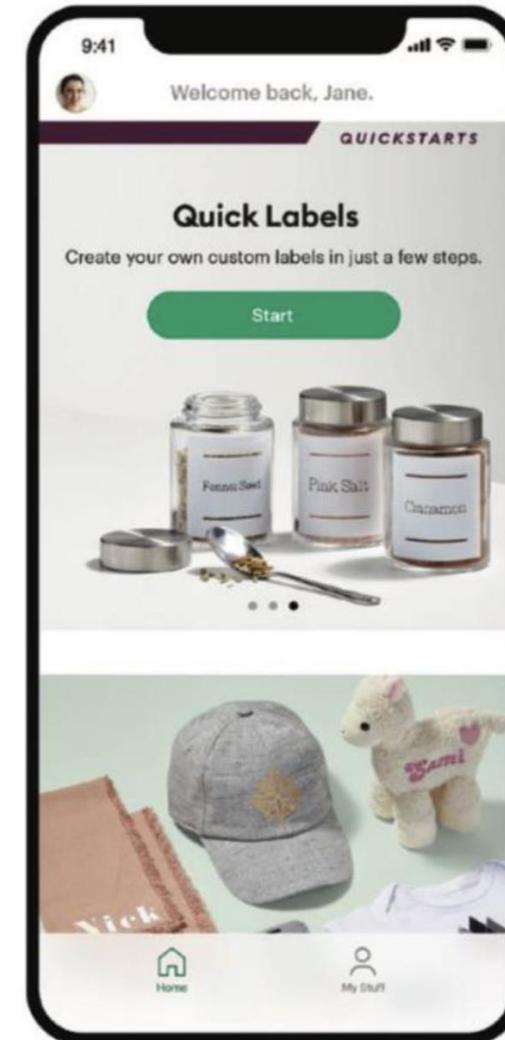
- Access to over 140K images
- 6K+ ready-to-make projects
- Hundreds of fonts
- Discounts and priority Cricut Member Care

**Did you know?** Almost 33% of users were paid subscribers as of the end of Q1 2021.

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## Cricut Premium

- All “Cricut Access” benefits, plus
- Additional discounts
- Preferred shipping

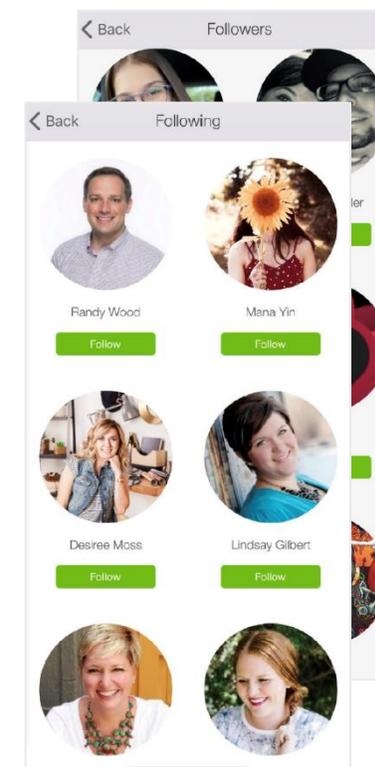
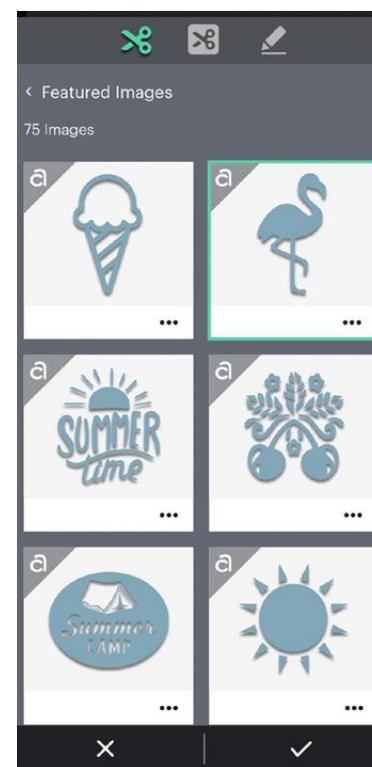
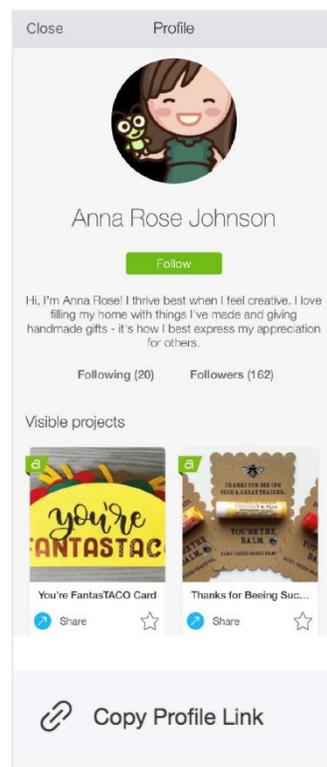




# Our cloud-based software enables a seamless creative user experience

## Data-driven innovation

- Analyze billions of user contributions to provide the most relevant content and user experience
- Allows users to tap into our extensive user network and share their work across devices





# Social networks are an engagement hub for users

5M+

Social Media Followers

~2B

Views of #cricut on TikTok



# Engaging hobbyists and entrepreneurs alike



## Empowering Entrepreneurs

*"Having the Cricut Maker is a game changer."*

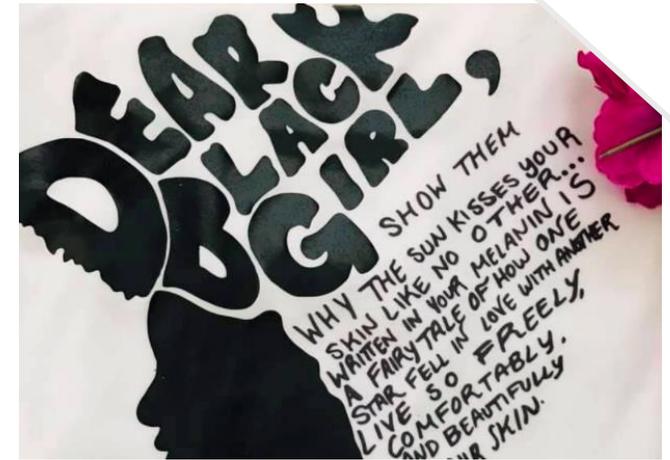
Melanie Cervantes, Owner  
Dignidad Rebelde print shop



## Enabling Small Businesses

*"Our company has made more money this year than our (18-month) contract with [a major national retailer]."*

Ashley Nell Tipton, Owner  
Fashion design shop



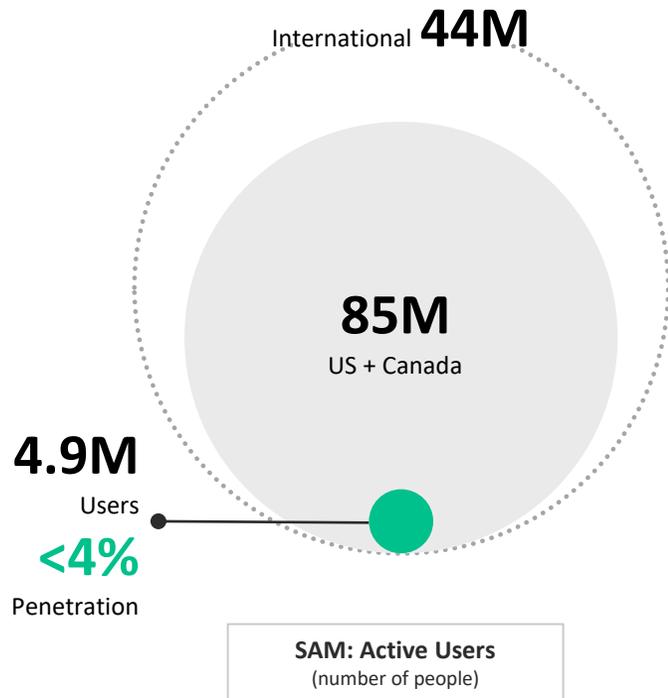
## Celebrating Diversity

*Dedicated efforts to amplify Black creators during Black History Month and beyond.*

Made by Sheryl,  
Cricut For Beginners Facebook group member

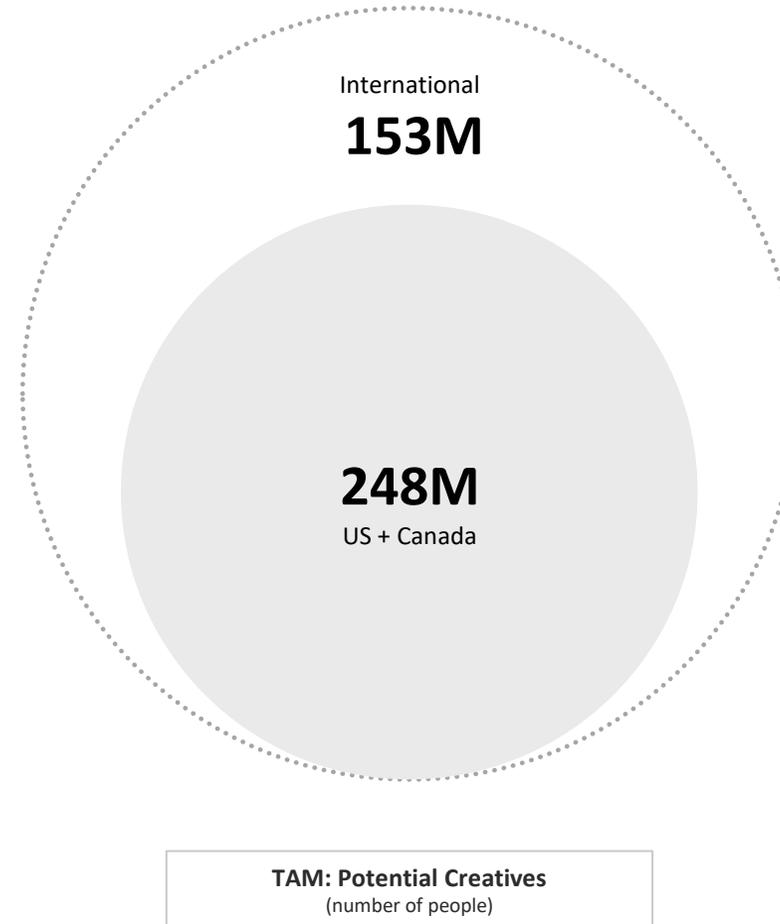
**Did you know?** 29% of users make projects to sell, and many have created their own businesses.

# We estimate we still have millions to reach



Total SAM  
**129M**

Total TAM  
**402M**



*Note: International opportunity includes Australia, France, Germany and the United Kingdom. Users as of March 31, 2021. Estimated SAM and TAM figures based on a study we commissioned by YouGov America in September 2020. Additional detail on SAM and TAM included in the Appendix.*



Creativity is universal



**International Revenue**

**253%**

Growth In Q1 2021 YoY



**Expanded Global Cricut Team**

**Middle East  
Africa  
Asia**



**New Markets**

**Spain  
Nordics  
Mexico**



**Continued Retail Expansion**

**UK  
Australia  
France  
Germany**

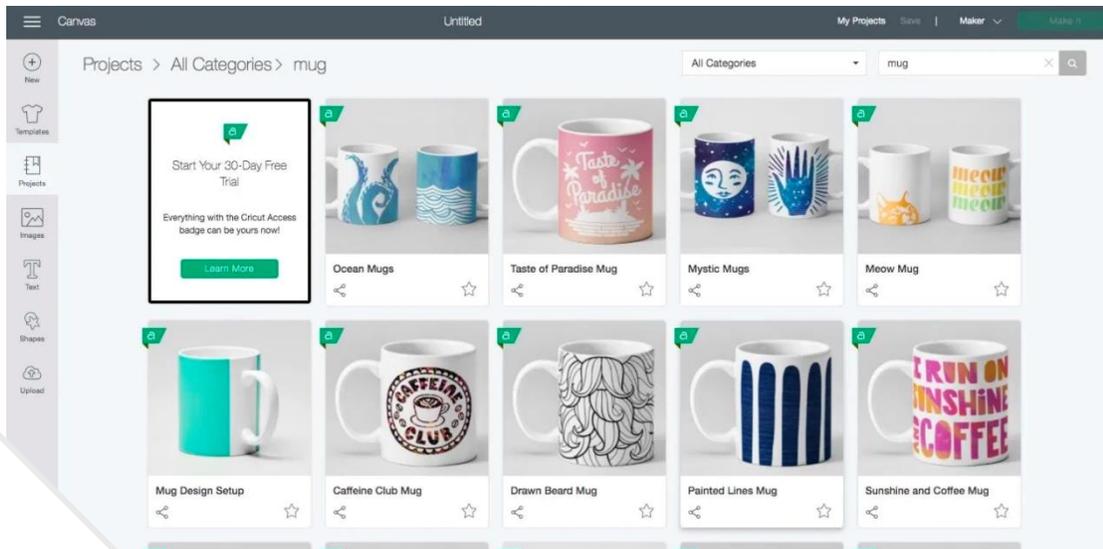
**Did you know?** 10.3% of revenue was generated by international in Q1 2021.



# Expanding our product ecosystem and platform

## Cricut Mug Press Launch

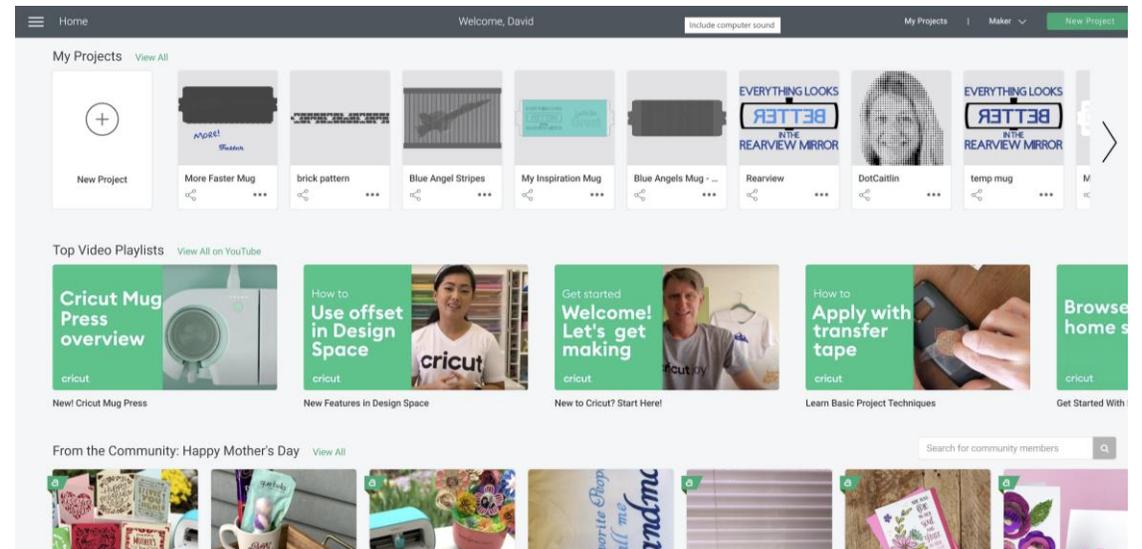
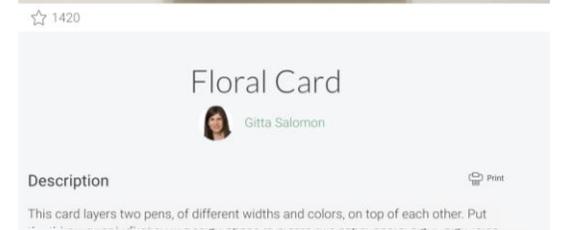
- Machine accessory that allows users to easily create professional-looking, personalized mugs
- Launch included new software capabilities, content, materials, and compatible mug blanks



# Software innovation creates platform extensibility

## Strategic Software Updates

- Tutorials and education inside Design Space
- Search enhancements
- Project collections
- Offset feature





Let's

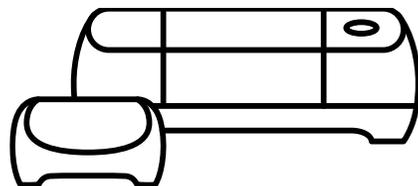


# Financial Results

# Cricut's Flywheel

**Connected Machines**

**\$141.3M** Revenue



**Subscriptions**

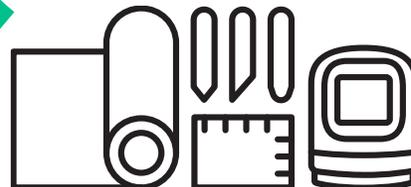
**\$46.1M** Revenue



**Cricut  
Platform**

**Accessories & Materials**

**\$136.4M** Revenue

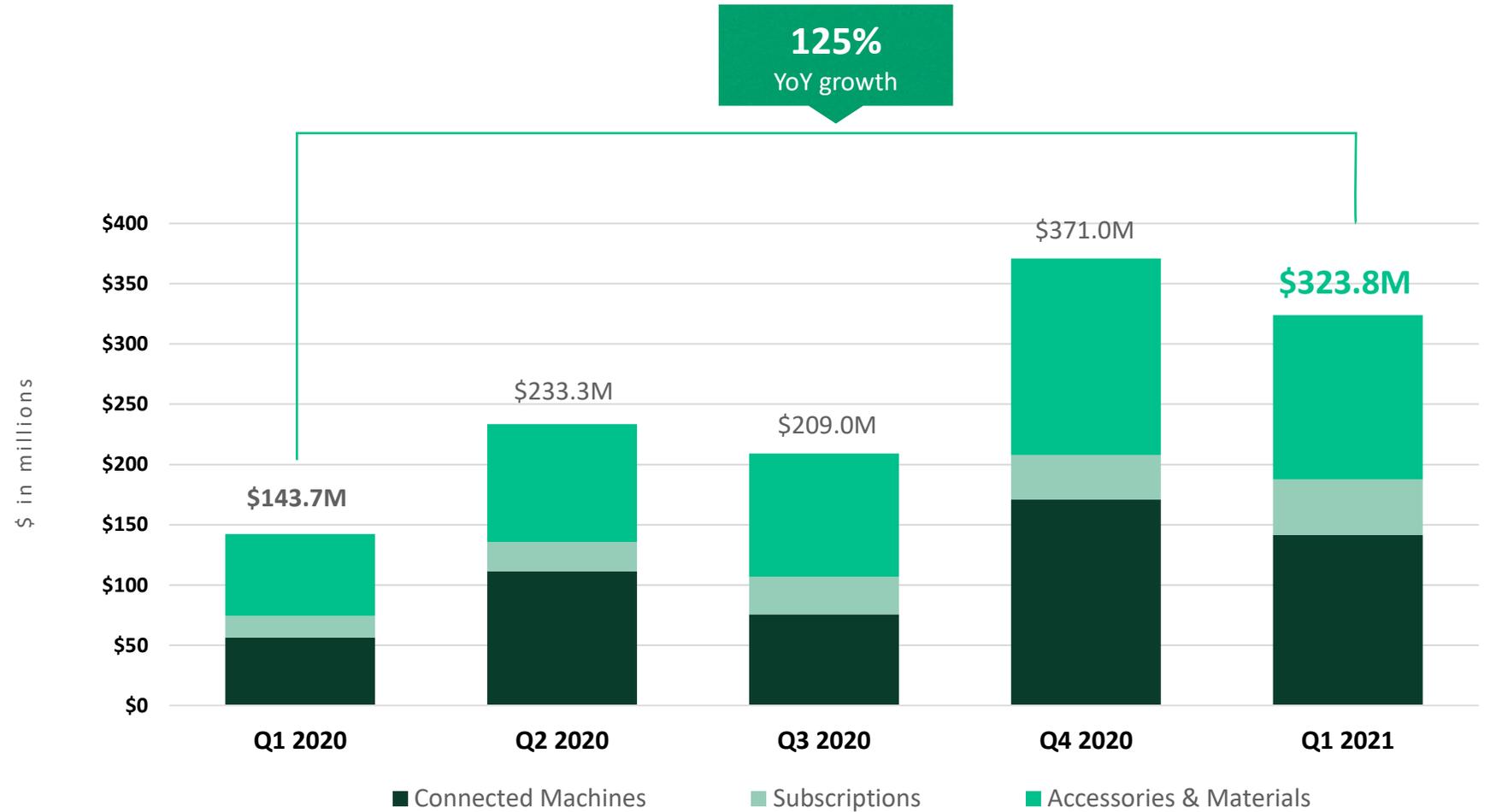


## Did you know?

Gross profit from our connected machines mostly covers our customer acquisition cost.

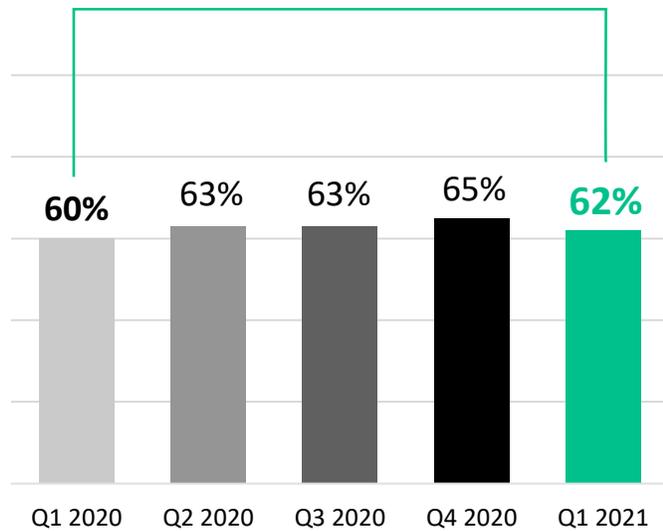
# Revenue Breakdown

- Connected Machine revenue grew **148%** YoY
- Subscriptions revenue grew **141%** YoY
- Accessories and Materials revenue grew **102%** YoY
- International revenue grew **253%** YoY and represented **10.3%** of total revenue



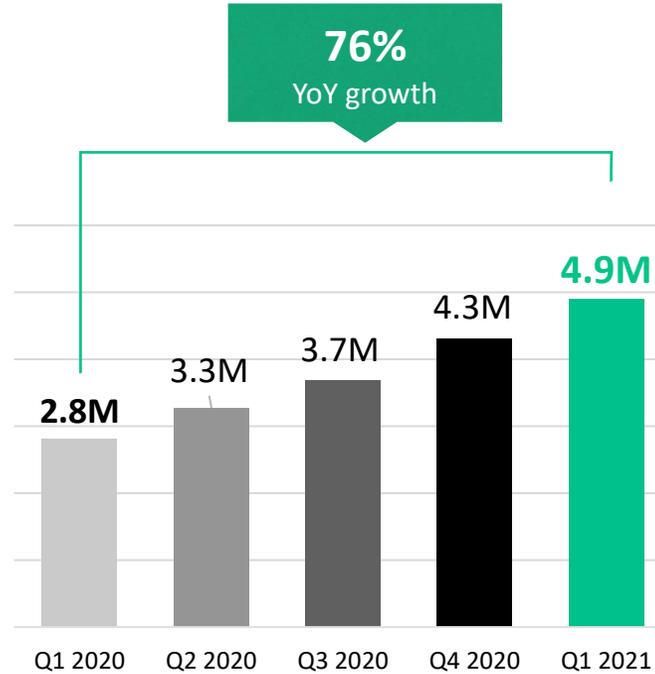
# Healthy Engagement

## 90-day Engagement

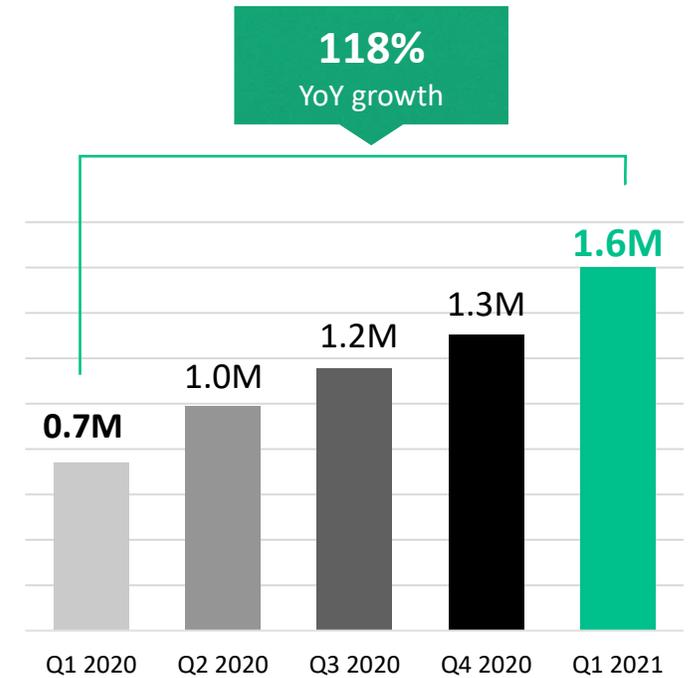


Percentage of Users Creating on their Connected Machines in the Trailing 90 Days as of Each Quarter End

## Unique Users



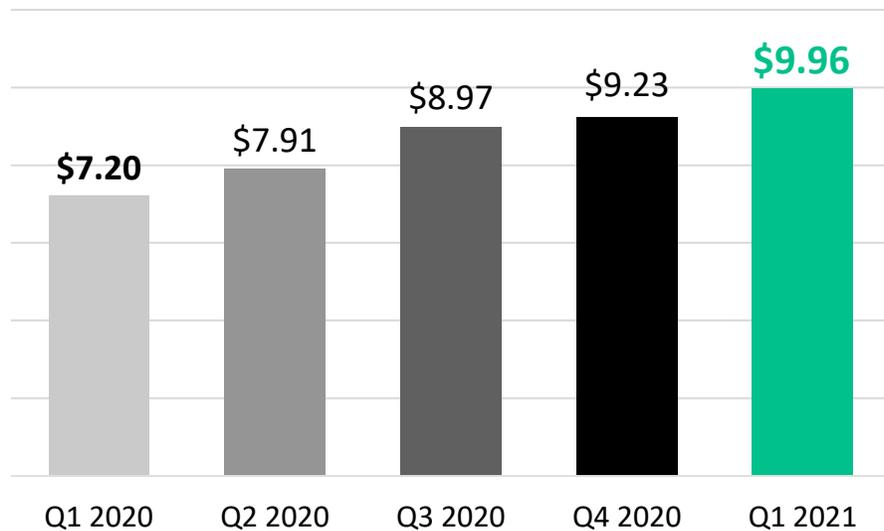
## Ending Paid Subscribers



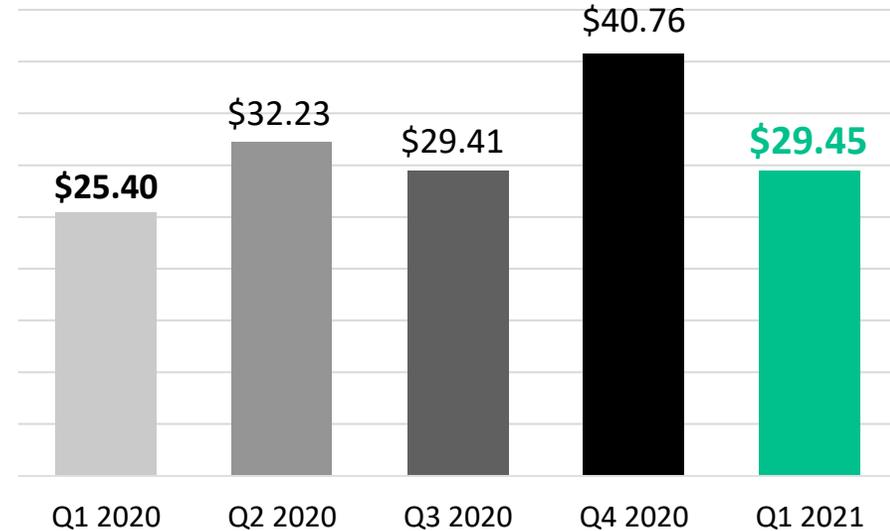
# Increased User Monetization



Subscriptions ARPU <sup>1</sup>



Accessories & Materials ARPU <sup>1</sup>

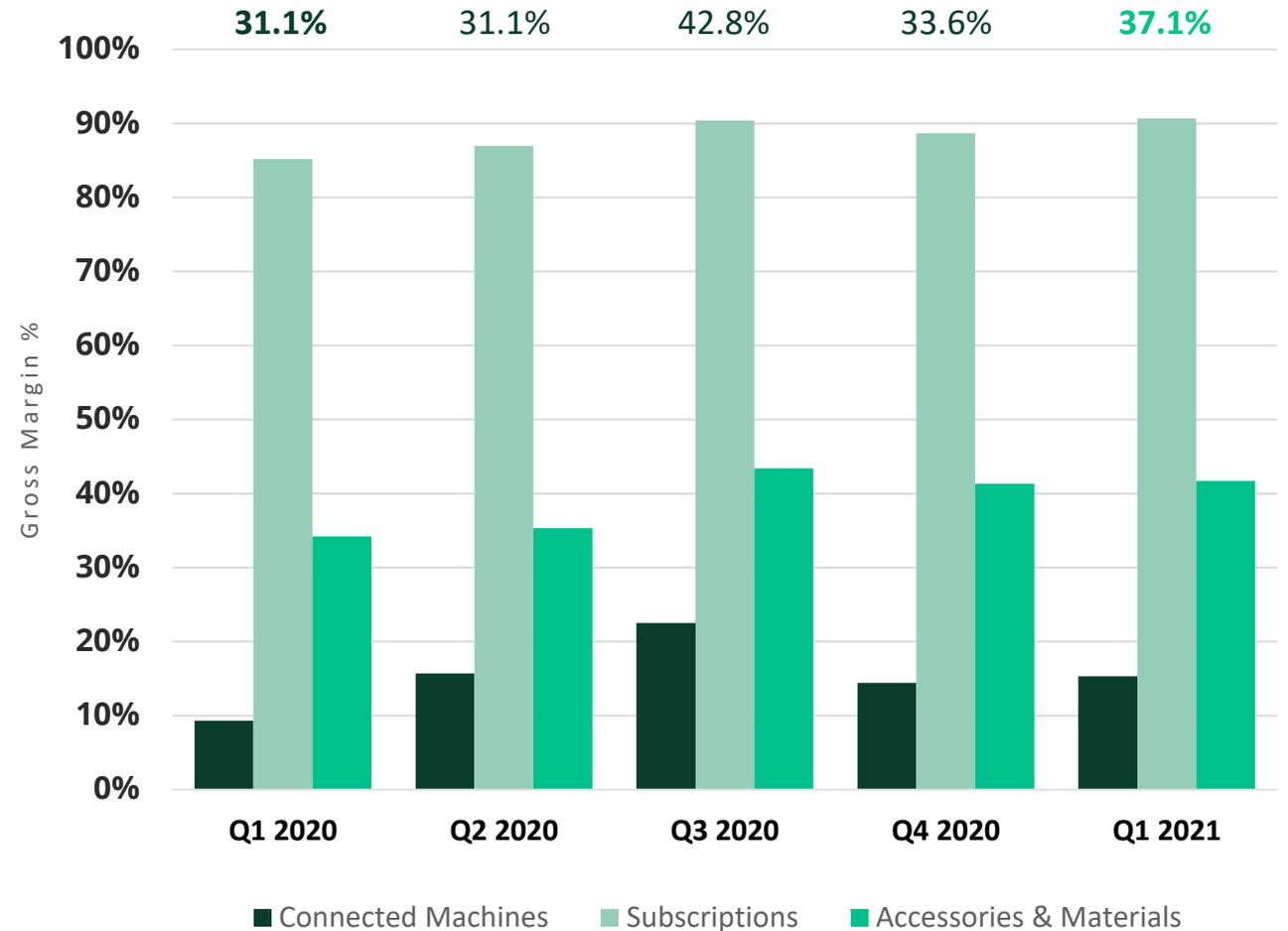


1. ARPU = Average Revenue Per User

# Significant increase in gross margin

## Contributing Factors

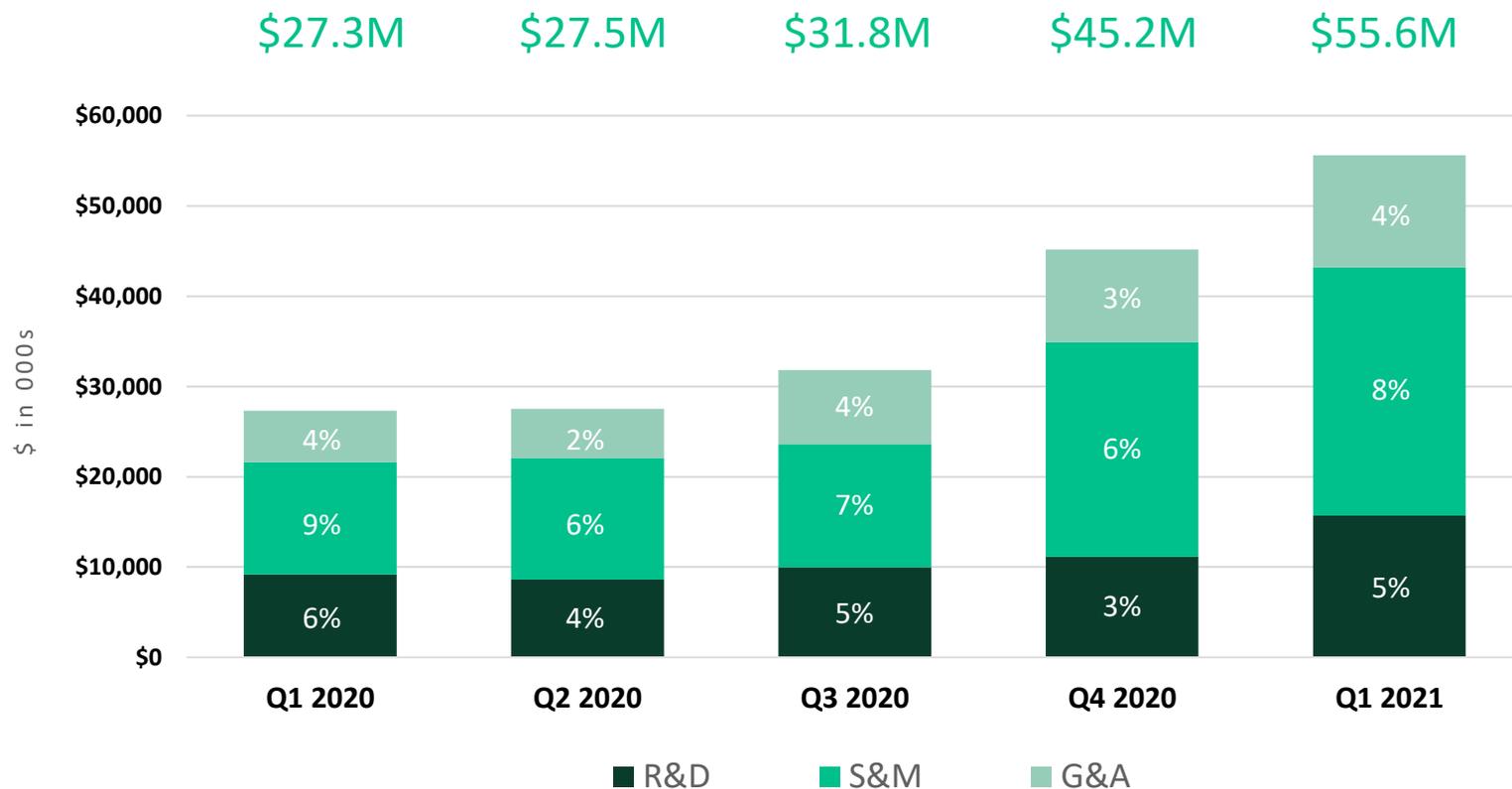
- **Shift in Manufacturing**  
Reduction in tariffs by shifting production of connected machines from China to Malaysia
- **Product Mix**  
Subscription revenue continues to increase as % of total revenue
- **Accessories and Materials**  
Improved margin due to favorable product costing, product mix, and promotions/pricing



# Efficient business growth

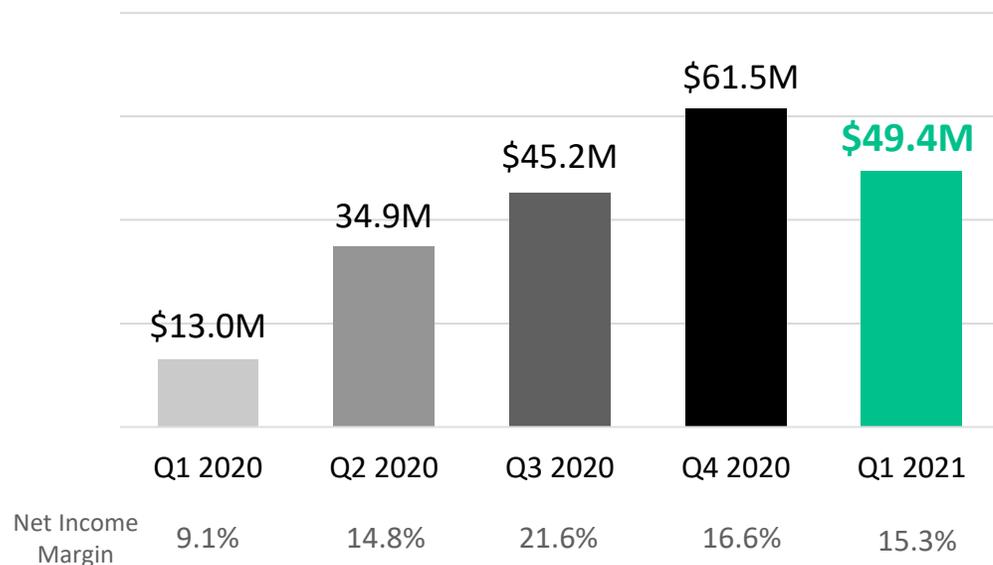
## \$ Operating Expense

- Efficient Sales & Marketing spend
- Continue to invest for future growth
- Fixed cost leverage

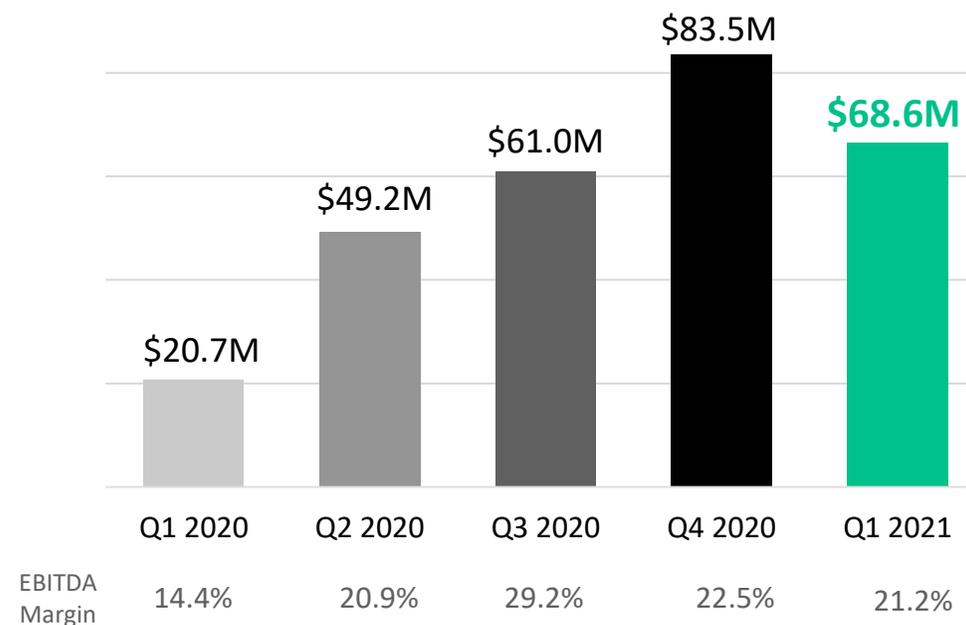


# Strong growth in net income and EBITDA

## \$ Net Income



## \$ EBITDA <sup>1</sup>



1. Net income adjusted to exclude: interest expense, net; income taxes; and depreciation and amortization expense. See reconciliation in the Appendix. Q1 2021 EBITDA included \$3.5 million of recurring stock-based compensation expense and \$8.2 million of one-time expenses related to the corporate reorganization associated with the IPO. Stock-based compensation was \$1.5 million for Q1 2020, \$1.3 million for Q2 2020, \$2.2 million for Q3 2020, and \$4.5 million for Q4 2020

# Balance Sheet and Cash Flow Highlights

NASDAQ : CRCT

—

**\$261M**

Total raised to date from IPO

Including **\$18M**  
raised from exercise of  
overallotment



Cash & Cash Equivalents as of  
3/31/21

**\$337M**

Cash, cash equivalents & market securities

Including the **\$243M** raised from our IPO



Cash Flow Used in Ops  
as of 3/31/21

**\$22M**

YTD cash flow used in  
operations

## Long-term target model

As % of Revenue	FY18	FY19	FY20	Long-Term Targets
Gross Margin	33%	29%	35%	37 - 38%
R&D Expense	7%	5%	4%	7 - 8%
S&M Expense	9%	8%	7%	8 - 10%
G&A Expense	5%	5%	3%	3 - 4%
EBITDA Margin <sup>1</sup>	14%	13%	22%	17 - 20%

1. Non-GAAP financial measure. See Appendix at the end of this presentation for GAAP financial measures and reconciliation.



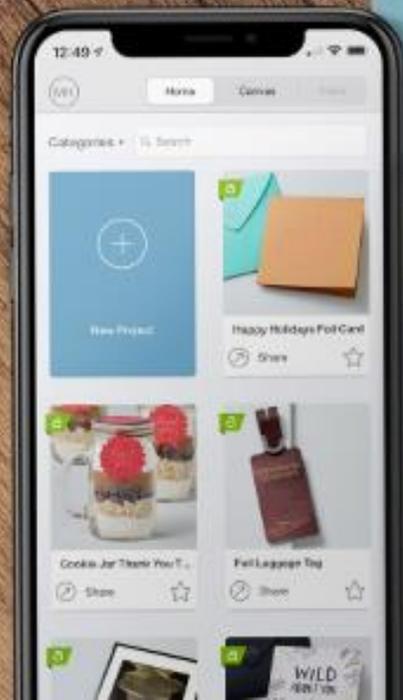
Questions?

**cricut**<sup>®</sup>

NASDAQ : CRCT

# Thanks!

**cricut**



# Appendix

# Preliminary Reconciliation of Net Income to EBITDA

THREE MONTHS ENDED 3/31/21

THREE MONTHS ENDED 3/31/20

(in thousands)

	THREE MONTHS ENDED 3/31/21	THREE MONTHS ENDED 3/31/20
<b>Net Income</b>	<b>\$49,418</b>	<b>\$13,040</b>
Net Income Margin	15.3%	9.1%
Adjusted to exclude the following:		
Depreciation and Amortization Expense	\$3,886	\$3,236
Interest Expense, Net	\$79	\$574
Corporate Income Tax Expense	\$15,217	\$3,836
<b>EBITDA*</b>	<b>\$68,600</b>	<b>\$20,686</b>
EBITDA Margin	21.2%	14.4%

\*Q1 2021 EBITDA includes \$3.5 million of recurring stock-based compensation expense and \$8.2 million of one-time expenses related to the corporate reorganization associated with the IPO. Q1 2020 EBITDA includes \$1.5 million of recurring stock-based compensation expense.

# Preliminary Reconciliation of Net Income to EBITDA

	THREE MONTHS ENDED 3/31/20	THREE MONTHS ENDED 6/30/20	THREE MONTHS ENDED 9/30/20	THREE MONTHS ENDED 12/31/20	THREE MONTHS ENDED 3/31/21
--	-------------------------------	-------------------------------	-------------------------------	--------------------------------	-------------------------------

(in thousands)

<b>Net Income</b>	<b>\$13,040</b>	<b>\$34,879</b>	<b>\$45,211</b>	<b>\$61,448</b>	<b>\$49,418</b>
Net Income Margin	9.1%	14.8%	21.6%	16.6%	15.3%
Adjusted to exclude the following:					
Depreciation and Amortization Expense	\$3,236	\$3,430	\$3,431	\$3,906	\$3,886
Interest Expense, Net	\$574	\$367	\$140	\$74	\$79
Corporate Income Tax Expense	\$3,836	\$10,514	\$12,205	\$18,060	\$15,217
<b>EBITDA*</b>	<b>\$20,686</b>	<b>\$49,190</b>	<b>\$60,987</b>	<b>\$83,488</b>	<b>\$68,600</b>
EBITDA Margin	14.4%	20.9%	29.2%	22.5%	21.2%

\*Q1 2021 EBITDA included \$3.5 million of recurring stock-based compensation expense and \$8.2 million of one-time expenses related to the corporate reorganization associated with the IPO. Stock-based compensation was \$1.5 million for Q1 2020, \$1.3 million for Q2 2020, \$2.2 million for Q3 2020, and \$4.5 million for Q4 2020

# Preliminary Reconciliation of Net Income to EBITDA

	YEAR ENDED 2018	YEAR ENDED 2019	YEAR ENDED 2020
--	--------------------	--------------------	--------------------

(in thousands)

<b>Net Income</b>	<b>\$27,432</b>	<b>\$39,211</b>	<b>\$154,578</b>
Net Income Margin	8.1%	8.1%	16.1%
Adjusted to exclude the following:			
Depreciation and Amortization Expense	\$8,016	\$9,108	\$14,003
Interest Expense, Net	\$1,934	\$3,291	\$1,155
Corporate Income Tax Expense	\$8,721	\$11,057	\$44,615
<b>EBITDA*</b>	<b>\$46,103</b>	<b>\$62,667</b>	<b>\$214,351</b>
EBITDA Margin	13.6%	12.9%	22.4%

\*2018 EBITDA includes \$10.4 million of stock-based compensation expense, 2019 includes \$1.8 million of stock-based compensation expense, and 2020 includes \$9.5 million of stock-based compensation expense.

# [ SAM/TAM – Additional Information

We believe that everyone is innately creative and thus anyone can be a part of the Cricut community of users. This presents us with a large, untapped market opportunity in addition to our current user base. We quantify our market opportunity in terms of a Serviceable Addressable Market, or SAM, and a Total Addressable Market, or TAM. We commissioned a study from YouGov America in September 2020 across 11 countries. The sample size of those surveyed in each country included over 1,000 individuals ages 18 and older. To calculate our SAM and TAM, we extrapolate these survey results across the general population ages 18 and older in each country.

Our SAM consists of the portion of individuals surveyed who said they have made at least one creative project in categories addressed by our current products in the last 12 months, whom we call “active creatives.” Our TAM includes the individuals in our SAM as well as the portion of individuals surveyed who said they like, buy, used to make or are interested in creating personalized, handmade or custom items, whom we call “potential creatives” but who have not made at least one creative project in categories addressed by our current products in the last 12 months. Our SAM includes active creatives who we address with our current product and price points. Our TAM includes potential creatives who we believe we can reach over the long term as we make products for new uses and products that are even more accessible, easier to use and available at a broad set of price points. We assess our SAM and TAM in the United States and Canada and internationally. Today, a small portion of our revenue is generated from countries outside the United States and Canada. We currently classify four of these countries, Australia, France, Germany and the United Kingdom, as our primary international target markets and include them in our international SAM and TAM.